

USAID/Guinea

Annual Report

FY 2005

June 16, 2005

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Guinea

Performance:

Background: Although it has been twenty years since the death of Sekou Toure, in many respects Guinea is still struggling to overcome the remnants of his one-party dictatorship which isolated it from the rest of the world, devastated the economy, and ruthlessly suppressed freedom of expression and political opposition. Even though not nearly as brutal, mismanagement of the economy, poor governance, and human rights abuses continue under the current 19 year regime of Lansana Conté. In addition, fourteen years of various levels of conflict in the Mano River Union region, the resulting large numbers of refugees on Guinean soil, as well as the rebel attacks on Guinea in 2000 and 2001, have all adversely affected the country's environment, stagnated trade and forced the government to heavily invest in its military.

The quality of life for the average Guinean is considered among the lowest in the world. The 2004 UNDP Human Development Index places Guinea 160th out of 177 countries listed, a decline by three positions as compared to 2003. Rural inhabitants represent approximately 80 percent of the population, and 60 percent of the poor. Women are the mainstay of subsistence farming, accounting for 80 percent of the country's food crop production. Life expectancy is 48.9 years and only 36% of men and 14% of women are literate. The infant mortality rate is 177 per 1,000, maternal mortality is 528 per 100,000 live births, and HIV rates as high as seven percent in urban areas of the Forest Region. The state of affairs in Guinea is even more startling given the fact that the country has enormous growth potential primarily due to an unusually rich mix of natural resources, including over 25% of the world's known reserves of bauxite, along with diamonds, gold, iron ore, and other metals. Guinea is also endowed with abundant agriculture, forestry, and fishing potential.

Despite being one of Africa's richest countries in natural resources and metals, conditions in Guinea have been steadily declining over the past few years. Guinea is considered a constitutional government in which all major decision-making is highly centralized in a strong presidency. The national referendum of 2001, which removed presidential term and age limits, paved the way for the reelection of President Conté in December 2003. The presidential election was marred by a boycott of opposition parties, very low voter turnout, and questionable reporting on results. In the past, the Conté regime has at least provided a degree of economic and political stability. However, this stability is becoming increasingly strained as political stagnation continues, the economy and quality of life deteriorate, and social discontent rises. Estimated 2003 real GDP growth is 1.2 percent, down from 4.2 percent in 2002, while the inflation rate has risen more than 30 percent since January 2003. Severe shortages of electricity and water in the major cities, coupled with sharp price increases in provision of these services as well as fuel and essential staple commodities, has led to incidents of rioting in Conakry, Coyah, Pita and Dabola. Unhappy primarily with their living conditions, university students have also recently rioted in Conakry, Faranah and Kankan.

Faced with political and economic difficulties, and perhaps also influenced by reductions in donor support, the Government of Guinea (GOG) has recently shown some slight signs of reform. The Ministry of Justice and the courts positions have undergone extensive personnel reshuffling and the government has also created a new Ministry of Economic and Financial Control, under which the National Anti-Corruption Agency was established. An Emergency Recovery Plan was adopted in March, 2004 which encompasses the strengthening of the tax administration, recovery of outstanding payments, curtailment of ad hoc customs exoneration, and a reduction in extraneous budgetary spending, including reduction in military spending. The GOG has also begun to show increased willingness to engage in political dialogue and has recently relaxed its restrictions on the organization of opposition meetings and rallies. The GOG's Ministry of Information has also stated a willingness to proceed with liberalization of broadcast media in 2005. The coming year will be critical in determining whether the Conte regime will actually

implement and move forward with much needed reform, or continue its customary practice of protecting its vested interests at the expense of the Guinean population.

U.S. Interests and Goals: U.S. strategic interests in Guinea remain strong and multi-faceted. As fragile states are becoming increasingly recognized as an origin of our nation's most serious security threats, avoiding conflict in Guinea is important to U.S. national security. Guinea is bordered by six countries, of which four (Cote d'Ivoire, Sierra Leone, Guinea-Bissau and Liberia) have had serious levels of instability or conflict over the past several years. Throughout this turmoil, Guinea has remained a relatively stable country, and has been a receptive host to a significant refugee population, which continues to this day. An unstable Guinea could create massive disruption to the entire sub-region and would impair progress made to date in Liberia and Sierra Leone, and exacerbate the situation in Cote d'Ivoire, requiring significant investments in humanitarian assistance. The U.S. Government has invested heavily in bringing about peace in both Sierra Leone and Liberia, and its presence in Guinea helps protect that investment. In addition, as the Fouta Djallon highlands in Guinea are important watersheds for three major West African rivers that serve over ten countries in the sub-region, instability in Guinea could also create major environmental damage to this critical watershed.

The U.S. maintains close relations with Guinea and has the 9th largest U.S. Mission in Sub-Saharan Africa, represented by USAID, the Department of State, the Department of Defense, Peace Corps, and the Department of Treasury. Guinea is a moderate Muslim country that maintains a secular orientation in its foreign policy, and has supported U.S. anti-terrorism initiatives through ratification of numerous U.N. conventions on terrorism. The U.S. also seeks to promote increased U.S. private investment in Guinea's emerging economy. There are several large U.S. Corporations in Guinea possessing significant shares of their respective markets.

Donor Relations: Nearly all donor-funded programs are linked to achieving the objectives under Guinea's Poverty Reduction Strategy Paper (PRSP). Over the past several years the United States has been the top bilateral donor in Guinea, followed by France (rural development and infrastructure, natural resources management, fisheries development and education) and Japan (health, fisheries, and basic education). Canada and Germany also play prominent roles in the health, education, and agriculture sectors. The top multilateral donors in Guinea are the European Union (EU), World Bank, and the United Nations agencies. The EU concentrates primarily on rural development, social and economic infrastructure, and macroeconomic support. The World Bank primarily supports Guinea's economic rehabilitation program.

Coordination among donors remains strong in Guinea, especially in the humanitarian sector, and the social sectors of health and education. USAID remains a leader in the fight against AIDS in Guinea, and has taken the lead in the design and implementation of a nation-wide Demographic and Health Survey. USAID also remains one of the largest bilateral contributors to Guinea's "Education for All" program, taking the lead technical role among donors in promoting quality in basic education, as well as actively developing a standardized, long-term donor coordination mechanism. Non-Governmental Organizations (NGOs) are playing an increasingly important role in the implementation of development projects in Guinea, reducing dependency on the public administration. NGOs have been particularly effective in the agriculture, education and health sectors, and are key implementing agencies in USAID-funded programs.

Challenges: Guinea is a country showing worrying political trends that include: increasingly centralized authority and decision-making, rampant corruption, and the dilution of political freedoms and human rights. Economically, the country is highly vulnerable to fluctuations in world prices for bauxite, its main export. Poor infrastructure, policies and governance continue to be main obstacles to attracting much needed foreign investment. Although some development progress is being made in Guinea as witnessed by the first review of the PRSP in 2004, this progress is not adequate or as effective as it could be without a strong political will to make reforms. Bold measures are needed in structural areas such as combating rampant corruption and poor governance, and reforming the public utilities, especially water and electric power. Fundamental changes are needed across GOG institutions to diversify the economy and establish an attractive foreign investment environment, provide adequate social services and achieve effective, transparent and legitimate governance.

The National Assembly, judiciary, political opposition, and the local government councils are still developing their capacity to provide effective checks and balances vis-à-vis the executive branch. Although significant progress has been made in the past few years strengthening civil society organizations to improve their capacity to provide needed social services, articulate citizen concerns and advocate for reform, much remains to be accomplished. All these institutions must address capacity constraints to improve their ability to provide necessary checks and balances, advocate and propose meaningful reform, and be in position to provide stability in the event of a political transition.

Guinea is a severely indebted country and heavily dependent on foreign aid. Significant buildup of payment arrears along with the GOG's non-conformity on good governance and macro-economic policies resulted in a number of donors suspending their assistance and interrupting development projects. Due to GOG non-compliance, the IMF's Poverty Reduction and Growth Facility (PRGF) was abandoned in December 2002, and officially expired in May 2004. A prolonged funding absence will jeopardize Guinea's progress under the PRSP, as well as its estimated debt relief eligibility of \$545 million under the heavily indebted poor countries (HIPC) initiative. The European Union has withheld aid (\$260 million) until the GOG institutes certain political and economic reforms to improve governance. Of the over \$70 million in required debt repayments due as of June 2004, the GOG has paid only \$20 million. As a result, some of Guinea's key donors and financial institutions such as the French Development Agency, the African Development Bank, and GTZ have also suspended or reduced their assistance. This shortfall in donor funding and growing domestic debt has begun to affect overall economic performance as well as the GOG's ability to provide basic social services.

USAID's Role: USAID's current Country Strategic Plan (FY 1998 - 2006) in Guinea focuses on improving the social and economic well-being of all Guineans in a participatory society through emphasis on four core strategic objectives that go to the heart of Guinea's development priorities--health and HIV/AIDs, democracy and good governance, basic education, and agriculture development and natural resources management. These objectives also strongly coincide with the Agency's comparative advantage, the U.S. Mission policy in Guinea, as well as Administration and Congressional priorities.

USAID is contributing to stability in Guinea through the provision and expansion of social services in the health and basic education sector, as well as through improving food security and rural incomes. USAID is enhancing the capacity of institutions such as civil society, political parties, and local government councils. Health and Education Ministries are also being strengthened to improve their delivery of basic social services. In view of the continuing accuracy of focus and relevance of the Country Strategic Plan, a one-year strategy extension through FY 2006 was approved by USAID/Africa Bureau in May, 2004.

Key Achievements: The development problems in Guinea are severe and will not be overcome easily or anytime soon. Nonetheless, USAID continues to make progress under each of its strategic objectives. The GOG does provide an overall acceptable working environment for development activities, and Guinean technical ministries are very cooperative and supportive of USAID programs, without which we would not have achieved the results discussed in this report.

1. **Sustainable Natural Resources Management and Agriculture (Ag/NRM):** USAID focuses its support on efforts that protect the environment, preserving Guinea's forests and watersheds, increasing agricultural production, and promoting rural economic growth. Through FY 2004, over 117,000 hectares of forest reserves and tree plantations are being managed according to sustainable management plans, and the GOG has decentralized control over seven state-owned forests to local communities, giving communities the responsibility for the management of their own forests, as well as associated economic benefit. Guinea's Department of Forestry and Water now recognizes co-management as a viable option for forest management in Guinea. In addition, the capacity of forestry agents to carry out forest inventories has improved considerably over FY 2004 due to USAID training. USAID also began implementation of two very high-profile GDAs, one to promote conservation of sensitive natural resources in the Forest Region of Guinea, and the other to enhance the capacity and profitability of the Guinean cashew industry. USAID Ag/NRM activities in Guinea are strong contributors to the Global Climate Change initiative and the Water for the Poor Initiative. Guinea also contributes in the Africa Region to the

Biodiversity Conservation earmark.

2. Family Health and HIV/AIDS: USAID's health activities in Guinea seek to stem the spread of HIV/AIDS, promote child and maternal health, and improve access to family planning. In FY 2004, USAID made a breakthrough in the de-medicalization of oral contraceptives after several years of negotiation with the Ministry of Health (MOH). The GOG issued a national policy allowing the distribution of oral contraceptives through the community based distribution network. USAID also made an important advance in malaria control by helping the MOH institute a cost recovery system for insecticide-treated mosquito nets. Several years of negotiation led to a national standard price and policy permitting the sale of nets in both the public and private sectors. Nets are now being sold in two pilot prefectures targeting pregnant women and children through the USAID-funded social marketing program. In FY 2004, USAID supported the renovation and equipping of four public health clinics that will house Voluntary Counseling and Testing (VCT) centers. These centers are critically needed; prior to this activity, there were only four VCT centers in the entire country. USAID also signed a small GDA with the Guinean Chamber of Mines and the national HIV/AIDS Committee which will target the formal mining sector with HIV/AIDS prevention activities.

3. Basic Education: Guinea continues to be very successful at increasing demand for and access to primary education. According to the Ministry of Pre-University and Civic Education (MEPU-EC) statistics, the student population in Guinea has increased by 70% since the 1997/1998 school year, coinciding with the start of USAID/Guinea's Basic Education strategic objective. Despite the stress to the system posed by this explosive growth in primary education, USAID can demonstrate improvements in the quality of teaching and learning at the classroom level. USAID's national in-service teacher training program continued to surpass targets during FY 2004, having provided an average of 71 hours of teacher training to 25,361 teachers in Grades 1-6. The Africa Education Initiative, a partnership between the MEPU-EC and two Historically Black Colleges and Universities resulted in the design and distribution of 500,000 Language Arts textbooks and over 20,000 accompanying teacher's guides to all schools throughout the country. An additional 6.5 million USAID-designed Grades 1 and 2 storybooks were reprinted by the MEPU-EC. For the first time in history, with USAID support the Service of Statistics and Planning within the MEPU-EC produced an electronic version of the education sector statistical database on CD-Rom for distribution to education partners and stakeholders. Active participation by Parent Associations (PTAs) is increasingly recognized by the GOG as a civil society "movement", especially as PTAs have organized into a federation. To date, USAID has reinforced 828 civil society organizations active in the education sector, including 26 Guinean NGOs, 37 Local Alliances for Girls' Education, 650 PTAs, and 115 federated PTAs.

4. Democracy and Good Governance (D/G): Despite an extremely difficult operating environment, USAID's democracy and governance program made progress in FY 2004 by strengthening community-based organizations and governance at the local level, and by raising the visibility of the need to liberalize the media at the national level. Fully 92% of the community-based organizations (CBOs) in USAID's target areas have improved governance practices through the development and implementation of by-laws and other legal documents, good management practices, the convening of regular meetings of their membership, and periodic election of officers. Through training locally elected Rural and Urban Development Councils, local government councils are operating more efficiently, with greater transparency and community involvement. As a result, tax revenues have increased and locally-funded public services have improved. Through the USAID FY 2004 media advocacy program, the liberalization of broadcast media is becoming an increasingly pivotal national policy issue in Guinea. This program capitalized on the achievements gained over the last several years in USAID's efforts to build the capacity of civil society organizations to advocate for issues in the public interest.

5. Facilitating Post-Conflict Transition Special Objective (SpO): The SpO ended in FY 2004 and not only did USAID exceed quantitative targets, but its program also inspired the design and implementation of 13 additional community projects. USAID interprets this as evidence of regained cohesion and dynamism among targeted communities. During FY 2004, to restore livelihoods, USAID reached 17,105 direct beneficiaries, including entrepreneurs, farmers, peer educators, health agents and youth in Guinea's Forest Region. Income generating capacity was restored for 4,254 returnees who received farming and

micro-enterprise development/start-up grants. In addition, 981 youth benefited from the vocational training provided by grantees. Of this number, 49% were women; a very significant percentage in an area where normally housework would not permit time for young women to engage in vocational training. Under restoring critical infrastructure, USAID rehabilitated and/or improved 126 health and education facilities during FY 2004.

USAID/Guinea cross-cutting achievements: USAID in Guinea implements several activities which cut across the sectoral SOs. These include adult literacy, HIV/AIDS awareness, support to civil society organizations, and gender sensitivity. As only 41% of the adult population is literate, the USAID Education, D/G and Ag/NRM programs have found adult literacy a necessary conduit to achieve their objectives. In FY 2004, USAID provided adult literacy training to a total of 12,434 Guineans, of whom 48% were women. In FY 2004, all USAID/Guinea's SOs carried out HIV/AIDS prevention activities under the Mission's HIV/AIDS strategy. As a result, more than 94,871 people received an HIV/AIDS prevention message from USAID's non-health SOs in FY 2004. Almost all USAID programs work with local civil society organizations of some sort. These range from grass-roots village committees to national NGOs and umbrella groups. USAID estimates that in FY 2004, 1,861 civil society organizations were assisted. Some examples include: village Ag/NRM committees, which received training in sustainable land management; Regional PTA coordinating bodies, which received training in education quality, organizational capacity, advocacy, HIV and gender equity; and local NGO implementing partners who were strengthened in technical skills by USAID.

In addressing gender, two USAID SOs used intentional gender-oriented approaches, while the other two SOs integrated gender issues more generally. USAID's education program works on equity issues at several levels. In FY 2004, teacher training included modules on encouraging female retention, equitable teaching practices, and development of girls' self esteem. Guinean teachers made progress in providing equal opportunities for boys and girls to learn, designing seating plans to distribute boys and girls equally, and assigning chores equitably to both boys and girls. PTAs and girls education alliances were taught the importance of keeping girls in school, and carried out local projects such as purchasing books for girls. In addition, the USAID health program implemented activities that specifically target men in their role as fathers responsible for the health of their families, and as male partners who traditionally have more power than women with regard to sexual decisions--in spite of the fact that most health care services supported by the SO are directed at women. The USAID D/G and Ag/NRM programs continued to assure that both men and women benefited from their activities. Implementing partners under these SOs provide gender disaggregated data.

For more information on USAID programs in Guinea, please go to USAID/Guinea's website: <http://www.usaid.gov/gn>

Results Framework

675-001 Increased use of sustainable natural resource management practices

SO Level Indicator(s):

Area of forests and plantations of forest and fruit trees in the activity zone for which a sustainable management plan has been completed

Area of land under sustainable agricultural practices in the zone of activity

IR 1.1 Natural resource management planning skills acquired and applied by community-based organizations

IR 1.2 Farm productivity increased

IR 1.3 Small and micro enterprise activities increased

IR 1.4 Favorable policy environment established

675-002 Increased use of essential Family Planning, Maternal and Child Health, and STI/HIV/AIDS services, products, and practices

SO Level Indicator(s):

Couple years of protection (CYP) in intervention zone

Measles vaccine coverage in intervention zone

Modern contraceptive prevalence rate (CPR) in intervention zone

Percentage of births that benefited from at least three prenatal care visits in intervention zone

Percentage of men that report using a condom with non-regular sexual partner in intervention zone

IR 2.1 Increased access to essential FP, MCH and STI/HIV/AIDS-prevention services and practices

IR 2.2 Improved quality of FP, MCH and STI/AIDS prevention services, products, and practices

IR 2.3 Increased behavior change and demand for FP, MCH and STI/HIV/AIDS preventions services, products, and practices

IR 2.4 Increased effective response among donors, GOG, community organizations, NGOs, and the private sector in addressing critical health systems constraints

675-003 Quality basic education provided to a larger percentage of Guinean children, with emphasis on girls and rural children

SO Level Indicator(s):

Gross enrollment rate (GER) of students promoted to grade six

Gross grade one admission rate

Percentage of primary schools (public and private) that meet three key "fundamental quality and equity levels" quality standards

Primary school gross enrollment rate (GER)

IR 3.1 Improved sectoral strategic planning, management and decision-making in basic education

IR 3.2 Improved instruction in basic education

IR 3.3 Improved community participation in basic education

IR 3.4 Improved regional and gender equity in basic education

675-004 Improved local and national governance through active citizen participation

SO Level Indicator(s):

Number of civil society organizations using acquired skills to advocate with National Assembly and Administration on issues of national concern

Number of concrete actions taken by community-based organizations as a result of a participatory decision making process

Qualitative assessment of progress in coordinating efforts to conduct free and fair elections

IR 4.1 Effective citizen participation in local governance

IR 4.2 More responsive political processes

IR 4.3 Increased articulation of citizen interests by target civil society organizations

675-005 Facilitating post-conflict transition in targeted prefectures of forest region of Guinea

SO Level Indicator(s):

Income generating capacity increased for targeted beneficiaries
Selected key social infrastructure rehabilitated and/or improved
IR 5.1 Livelihoods re-established in targeted prefectures
IR 5.2 Key social services re-established in targeted prefectures